

**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT
INTERIM COMMITTEE**

Wednesday, October 21, 2015 – 1:15 p.m. – Room 30 House Building

Members Present:

Sen. Scott K. Jenkins, Senate Chair
Rep. Lee B. Perry, House Chair
Sen. Allen M. Christensen
Sen. Margaret Dayton
Sen. Jani Iwamoto
Sen. Peter C. Knudson
Sen. Evan J. Vickers
Rep. Melvin R. Brown
Rep. Scott H. Chew
Rep. Jack R. Draxler
Rep. Susan Duckworth
Rep. Stephen G. Handy

Rep. Mike K. McKell
Rep. Michael E. Noel
Rep. Kraig Powell
Rep. Douglas V. Sagers
Rep. Mike Schultz

Members Absent:

Rep. Justin J. Miller

Staff Present:

Mr. J Brian Allred, Policy Analyst
Ms. RuthAnne Frost, Associate General Counsel
Ms. Katie LeFevre, Legislative Assistant

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Jenkins called the meeting to order at 1:26 p.m. Rep. Miller was excused from the meeting.

MOTION: Rep. Perry moved to approve the minutes of the August 19, 2015, meeting. The motion passed unanimously with Rep. McKell, Rep. Noel, and Rep. Powell absent for the vote.

2. State Agency Air Quality Best Practices

Ms. Chamonix Larsen, State Coordinator of Resource Stewardship, Department of Administrative Services, reported on strategic planning efforts to improve air quality. She explained that state agencies decide whether or not to incorporate any of the state coordinator's suggestions. She identified air quality issues in Utah and emission sources.

She reported that the state government incorporates best practices for air quality in the acquisition of new vehicles. She explained various programs that incentivize best air quality practices. She discussed state projects that contribute to good air quality, such as LEED certification and school bus retrofitting. Ms. Larsen answered questions from the committee regarding low air quality days, idle free zones, and school bus retrofitting.

3. Performance Audit of Projections of Utah's Water Needs – Selected Issues

Mr. Allred reminded the committee that the three main sections of the "Performance Audit of Projections of Utah's Water Needs" discussed the reliability of water use data, water conservation and demands, and growth in future water supply. He informed the committee that the speaker of the House and president of the Senate designated the Natural Resources, Agriculture, and Environment Interim committee as the lead committee, charged with making a report and recommendations regarding the audit. He shared examples of potential committee conclusions.

Mr. Will Sarni, Director, Deloitte Consulting, explained the impact of water scarcity. He discussed how water is a business risk and that the World Economic Forum identified water scarcity as the #1 global risk in terms of impact. He outlined how businesses respond to risk in order to demonstrate how scarcity impacts economic and business growth. He emphasized that scarcity can be an opportunity that fuels innovation.

Mr. Sarni answered questions from the committee. He elaborated on how public policy will align with changing circumstances. He told the committee that various states have developed water plans and that the committee is examining all the right issues.

Chair Jenkins discussed a proposed concurrent resolution to encourage universal metering of water systems. He explained that mandating universal metering would be unwise due to the high costs, but said that each water system can be fiscally responsible and conservation minded without a mandate.

The committee discussed Chair Jenkins' proposal. Rep. Chew noted that education is an important part of conservation. Rep. Brown shared his recent experience of switching to a pressurized water system and the challenges associated with measuring water use. Rep. Duckworth expressed support for Chair Jenkins' proposal.

The committee heard public comment.

Ms. Kathy VanDame, Policy Coordinator, Wasatch Clean Air Coalition, discussed meters on multifamily units. She expressed her appreciation for the state agency emission reduction program.

Chair Jenkins presented a concept for draft legislation. He proposed that water systems be required to implement conservation pricing. He explained that water systems would establish their own conservation pricing.

The committee heard public comment.

Mr. Weston Wood, resident of Salt Lake City, explained that many cities have overestimated their future water needs. He expressed his frustration regarding tax dollars artificially subsidizing the price of water. He stated that it is crucial for Utah to implement conservation pricing to meet water needs in a fiscally sound manner.

Mr. Legrand Bitter, Executive Director, Utah Association of Special Districts, explained that statute said districts must present a need or basis for assessing a fee.

Mr. Mark Stratford, Assistant City Attorney, Ogden City, explained that Ogden City has a tier pricing system in place. He cautioned that pricing needs to be designed in a way that takes different water needs into consideration. He expressed his interest in working with Chair Jenkins on the draft legislation and the importance of tailoring legislation to meet the needs of businesses and residents.

Mr. Zach Frankel, Executive Director, Utah Rivers Council, discussed conservation pricing structure. He suggested that a good conservation water pricing structure will pay for future infrastructure needs. He expressed his willingness to help develop rate structures.

Ms. Chris Finlinson, Government Affairs Director, Central Utah Water Conservancy District, informed the committee that when water districts complete a project with federal dollars, they receive a block notice. She explained that the block notice is the mandated price that water users pay moving forward and

the water district has no ability to change the water rates. She clarified that water districts can add to the price for operation and management, but not change the original price. She does not feel that increasing the pricing for policy reasons is the role of water districts.

Mr. Richard Bay, Manager, Jordan Valley Water District, explained that there is already a strong trend towards conservation pricing, based on the increase of conservation pricing for retail water systems in Salt Lake County. He explained that technology is being used to increase conservation.

Rep. Noel expressed his concern about not developing Utah's water rights on the Colorado River.

Mr. Frankel stated that the Utah Rivers Council is not against growth.

MOTION: Rep. Perry moved to have the Divisions of Water Resources, Water Rights, Water Quality, and Drinking Water review and discuss the recommendations of the May 2015 Legislative Audit, "A Performance Audit of Projections of Utah's Water Needs," and report to the committee in the first 2016 interim meeting on the implementation of the audit's recommendations, including the development of an efficient and effective system of collecting accurate water use data from public water systems to better enable the agencies to forecast future needs, regulate water use, and monitor conservation goals. The motion passed unanimously with Sen. Iwamoto and Rep. Handy absent for the vote.

MOTION: Rep. Perry moved that the large water conservancy districts present a comprehensive report to the committee at the first 2016 interim meeting on ways to fund water system infrastructure repair, replacement, and creation costs, including ways that the districts and other water providers could create reserve funds to cover a portion of the costs. The motion passed unanimously with Sen. Iwamoto and Rep. Handy absent for the vote.

4. Utah State Parks – Future Plans and Growth Opportunities

Chair Jenkins suggested a ten-year development program for state parks be created, especially since visitation of federal parks is high.

Mr. Fred Hayes, Director, Division of Parks and Recreation, discussed the expansion of the state park system. He discussed the division's strategy for improving and maintaining state parks. He shared the planned updates and needs for Dead Horse Point, Steinaker, and Red Fleet, and their needs. He also explained, in priority order, future updates for the Bear Lake Marina, Goblin Valley, Goosenecks, Coral Beach Sand Dunes, Starvation, Yuba, Otter Creek, Antelope Island, Wasatch, Escalante, and Echo Reservoir. He informed the committee that the Division of Parks and Recreation's goal is to have a state park in every county and he identified the five counties without state parks. Mr. Hayes answered questions from the committee.

5. Other Committee Business

There was no additional committee business.

6. Adjourn

MOTION: Rep. Perry moved to adjourn the meeting. The motion passed unanimously with Sen. Iwamoto, Rep. Draxler, Rep. McKell, and Rep. Schultz absent for the vote.

Chair Jenkins adjourned the meeting at 3:53 p.m.